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STATE OF ARIZONA

JUL 15 2013

DEPARTMENT OF INSURANCE

DEPT OF INJURANCE

In the Matter of the Withdrawal of)	Docket No. 124 072 INC
National Guaranty Insurance Company)	Docket No. 13A-072-INS
(NAIC No. 12068))	ORDER
	Ć	

Petitioner.

Based upon reliable evidence provided to the Director of Insurance by the Assistant Director of the Financial Affairs Division of the Arizona Department of Insurance ("Department"), the Director finds as follows:

FINDINGS OF FACT

- 1. Petitioner is an Arizona stock corporation currently licensed in the State of Arizona as a property and casualty insurer.
- 2. On August 15, 2012, the Department placed Petitioner under supervision: Notice of Determination, Order for Supervision and Consent Thereto, Docket No. 12A-106-INS.
 - Petitioner surrendered its Certificate of Authority to the Department. 3.
- Petitioner filed with the Department certified copies of Resolutions of the 4. Petitioner's Board of Directors and Resolutions and meeting Minutes of Petitioner's shareholders authorizing Petitioner to transfer its domicile from Arizona to Nevada and, in connection therewith, to file its Articles of Domestication or equivalent document.
- Petitioner filed its certified financial statement as of April 30, 2013 with the 5. Department.

- 6. Petitioner does not have any outstanding obligations under policies of insurance in the State of Arizona. Petitioner does have outstanding obligations under policies of insurance in other States, either written direct or through reinsurance ceded to it. Petitioner's insurance obligations shall continue to be an obligation of Petitioner upon its transfer of domicile to the state of Nevada.
- 7. Petitioner has a \$100.00 deposit with the Insurance Examiners' Revolving Fund ("IERF").
 - 8. The Department holds a \$519,000 statutory deposit on behalf of Petitioner.
 - 9. The Petitioner has filed a Security Release Form (E126) with the Department.

CONCLUSIONS OF LAW

- 1. Any domestic insurer may, upon the approval of the Director, transfer its domicile to any other state in which it is admitted to transact insurance. Upon such a transfer, the insurer ceases to be a domestic insurer. A.R.S. § 20-231(B).
- 2. Petitioner has complied with the provisions of A.R.S. § 20-217 and with A.A.C. R20-6-303 relating to the surrender of its Certificate of Authority.
- 3. Petitioner has complied with the provisions of A.R.S. § 20-588 and with A.A.C. R20-6-303 relating to the release of its \$519,000 statutory deposit.

ORDER

1. Petitioner's request to terminate its Certificate of Authority is granted and its request for transfer is approved conditioned on: (a) the issuance of a domestic certificate of authority by Nevada to Petitioner, and (b) the accomplishment of transfer of domicile from Arizona to Nevada in accordance with the corporate laws of Arizona and Nevada. The

effective date of the termination of the Petitioner's Arizona certificate of authority shall be the effective date of the filing of its Articles of Domestication in the state of Nevada.

- 2. Petitioner may file its Articles of Domestication or equivalent document with the Nevada Secretary of State and the Arizona Corporation Commission ("ACC").
- 3. Petitioner is entitled to the release of its \$519,000 statutory deposit. The Department shall release the Petitioner's statutory deposit after the Department receives the following: (a) an ACC certified copy of Petitioner's ACC filed Articles of Domestication or equivalent document; (b) a certified copy of Petitioner's Nevada filed Articles Domestication or equivalent document; (c) payment of any outstanding IERF invoices, and (d) payment of all applicable fees. The Director has no personal liability for the release of such deposit so made by her in good faith as provided in A.R.S. §20-588(B).
- 4. Petitioner shall continue to make regulatory filings with this Department up to the effective date of the termination of the Petitioner's Arizona certificate of authority as provided herein.
- 5. The Department shall refund to the Petitioner the \$100.00 that was previously credited to the IERF pursuant to A.R.S. § 20-159.
- 6. The Notice of Determination, Order for Supervision and Consent Thereto, Docket No. 12A-106-INS, is terminated upon the effective date of the termination of the Petitioner's Arizona certificate of authority as provided herein.

1	7. This Order is vacated if the Articles of Domestication or equivalent document is
2	not filed with the ACC and the Nevada Secretary of State by or before September 30, 2013.
3	Effective this 15th day of July, 2013.
4	Go umaine L. Marks
5	GERMAINE L. MARKS Director of Insurance
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8	COPY of the foregoing mailed/delivered this day of, 2013, to:
9	Charles R. Cohen
10	Low & Cohen, PLLC 2999 North 44 th Street, Suite 550 Phoenix, Arizona 85018
11	Germaine L. Marks, Director of Insurance
12	Darren Ellingson, Deputy Director Mary Butterfield, Assistant Director
13	Kurt Regner, CFE, Assistant Director Catherine O'Neil, Consumer Legal Affairs Officer
14	Arizona Department of Insurance 2910 N. 44 th Street, Suite 210
15	Phoenix, Arizona 85018
16	Currey Buston
17	Curvey Burton
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